

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Caroline Wilson,**  
Appellant,

**v.**

**Dickinson County Board of Review,**  
Appellee.

**ORDER**

**Docket No. 13-30-0442**  
**Parcel No. 03-34-301-019**

On October 28, 2013, the above captioned appeal came on for consideration before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellant Caroline Wilson was self-represented and requested a written consideration. Assistant County Attorney Lonnie Saunders represented the Dickinson County Board of Review. The Appeal Board having reviewed the record and being fully advised finds:

***Findings of Fact***

Caroline Wilson is the owner of a residential, single-family property located at 548 252nd Avenue, Spirit Lake, Iowa. According to the property record card, the property is a one-story home built in 1970 with an addition completed in 1984. The property has 1148 total square feet of living area. It also has a 376 square-foot wood deck, two concrete patios, and a 416 square-foot attached garage. The improvements are listed as average quality grade (4+10) and below normal condition. The site is 0.184 acres with approximately 51 feet of lake frontage. The January 1, 2013, assessment was \$284,500, allocated as \$201,500 in land value and \$83,000 in improvement value.

Wilson protested to the Dickinson County Board of Review. She claimed the property was assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2). She asserted the property's total correct value was \$270,000. The Board of Review granted her claim, in

part, and reduced the assessed value to \$280,700, representing \$201,500 in land value and \$79,200 in improvement value.

Wilson then appealed to this Board reasserting her claim.

Wilson provided an appraisal completed by Todd Kramer of Kramer Appraisal Service, Spencer, Iowa. Although the appraisal was completed for financing purposes it established the fair market value as of January 24, 2013. Kramer relied solely on the sales comparison approach and concluded a value of \$270,000.

Kramer included three 2012 sales of one-story properties, as well as an active listing. All the comparable properties are located in Spirit Lake within two-and-a-half miles of subject property. The Board of Review provided property record cards for the three sales. These properties are summarized below.

<u>Comparable</u>	<u>Address</u>	<u>GLA</u>	<u>Sale Date</u>	<u>Sale Price</u>
Subject	548 252nd Ave	1148		
1	401 14th Street	576	June 2012	\$269,500
2	16502 255th Ave	1210	May 2012	\$265,000
3	16750 255th Ave	1080	March 2012	\$300,000

We note a discrepancy between the property record card and the appraisal regarding the subject property's gross living area (GLA). The property record card indicates the subject property has 1148 square feet of living area, whereas the appraisal reports 1302 square feet of living area, resulting in a 154 square-foot difference between them. This difference is apparent in the sketches on the property record and the appraisal. We do not find this discrepancy greatly affects the conclusion of the appraisal report. If we determined the property record card is the most reliable evidence of the correct size, applying that measurement to the appraisal would result in a net \$4000 reduction to each of the three sales. Because it would result in a decrease rather than increase of the appraiser's conclusions, and because Wilson does not contest the discrepancy, we choose to rely on the appraisal. We also note

a small discrepancy (22 square feet) in the living area between the property record card and the appraisal for Sale #2 located at 16502 255th Avenue. Again, we do not find this difference impacts the appraisal's reliability.

Kramer noted there was a limited number of comparable sales to choose from because there is little turnover of properties around the lake. In Kramer's opinion, Sale #1 is the most similar in vintage, but he recognizes it is significantly smaller than the subject property. Sale #2 required the least amount of adjustments and has the most similarities to the subjects in terms of size, utility, and amenities. Kramer gave most consideration to these two sales. After applying adjustments for differences, the result is a tight range of value between \$264,600 and \$271,200. The listing Kramer submitted for comparison has an indicated value of \$285,750. It is not unusual for listings to set the upper end of the range.

In addition to the property record cards of the three sales in the appraisal report, the Board of Review also offered a brief written summary. The summary asserts the adjustments Kramer made are inadequate. For example, it identifies that Sale #1 has no adjustment to the land despite it being located in a different area of the Lake with different front foot prices. It is also critical of the basement finish adjustments and physical depreciation adjustments. However, the Board of Review does not provide what it believes to be the correct adjustments. Without evidence of the correct adjustments, this Board has no way to discern whether the Board of Review's criticisms are valid. As such, we give them little weight.

Further, the Board of Review's summary analyzes the sales price per-square-foot of the appraisals comparable properties, which range from \$215.10 per-square-foot to \$467.88 per-square-foot. The Board of Review asserts, using the appraiser's calculations of 1302 square feet of living area, the assessed value per-square-foot of \$215.59 is within this range. Generally, we find this analysis to be limited in scope, and not as persuasive as an appraisal.

The summary also includes a sales ratio analysis of the three comparables in the appraisal. The ratio ranges from 77.78% to 106.87%. The Board of Review asserts the subject property's sales ratio would be 103.96%, using the current assessment and appraiser's opinion of market value. It states this falls "within the allowable range of 95% to 105%." Despite any contention to the contrary, this analysis still shows the subject property would be over-assessed.

We find Kramer's appraisal is the best evidence in the record establishing the fair market value of the subject property as of January 1, 2013.

### ***Conclusion of Law***

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). If sales are not available to determine market value then "other factors," such as

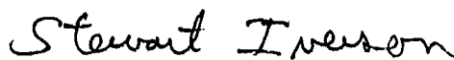
income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Wilson's appraisal by Todd Kramer determines that \$270,000 is the fair market value of the subject property as of January 24, 2013. Although the Board of Review was critical of the appraisal, we find it does not render the appraisal unreliable. Kramer's appraisal is the best evidence in the record to establish the fair market value for the assessment date.

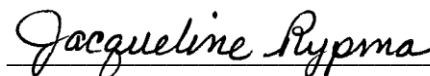
THE APPEAL BOARD ORDERS the January 1, 2013, assessment of Caroline Wilson's property located at 548 252nd Avenue in Spirit Lake is modified to a total value of \$270,000 as of January 1, 2013.

The Secretary of the State of Iowa Property Assessment Appeal Board shall mail a copy of this Order to the Dickinson County Auditor and all tax records, assessment books, and other records pertaining to the assessment referenced herein on the subject parcel shall be corrected accordingly.

Dated this 27th day of November 2013.



Stewart Iverson, Presiding Officer



Jacqueline Rypma, Board Member



Karen Oberman, Board Member

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